


A large, bold, black stylized letter 'm' that serves as the primary logo for Micron Technology.

MICRON TECHNOLOGY, INC.

Q3 2026

Earnings Report Update

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Company Overview

Micron Technology, Inc. is a global semiconductor company engaged in the design, development, manufacture, and sale of memory and storage solutions for data centers, personal computers, smartphones, automotive systems, industrial applications, and consumer electronics. Its product portfolio includes DRAM, NAND flash, high-bandwidth memory (HBM), solid-state drives (SSDs), managed NAND, and other advanced memory technologies that support data-intensive computing and artificial intelligence workloads.

The company serves customers across the cloud, data center, mobile, client computing, automotive, and embedded markets through its Micron and Crucial brands. Leveraging its expertise in memory and storage innovation, Micron provides critical semiconductor solutions that enable high-performance computing, AI applications, networking infrastructure, and next-generation digital devices worldwide.

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For the fourth quarter of fiscal 2026, Micron expects revenue of approximately \$50.0 billion (\pm \$1.0 billion), supported by an estimated gross margin of 86%. The company projects operating expenses of about \$1.86 billion on a GAAP basis and \$1.65 billion on a non-GAAP basis, while diluted earnings per share are forecast at \$30.73 (\pm \$1.00) under GAAP and \$31.00 (\pm \$1.00) on a non-GAAP basis.

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Outlook

Expectation Analysis

USD	Q3 2026	ESTIMATE	BEAT/MISS
REVENUE	41.5B	35.8B	15.7%
EBITDA	35.7B	30.0B	19.1%
EBIT	33.3B	27.9B	20.7%
EPS (adjusted)	25.1	20.7	21.2%

Source: Quatr

Revenue by Segment

Million USD	Q3 2025	Q3 2026	YOY
Cloud Memory	3,386	13,769	306.65%
Core Data Center	1,530	11,524	653.20%
Mobile and Client	3,255	11,521	253.95%
Automotive and Embedded	1,127	4,634	311.18%

Micron's revenue mix became more balanced in Q3 FY2026 as AI-driven demand expanded across all end markets. The Cloud Memory Business Unit remained the largest contributor, accounting for 33.21% of total revenue, slightly down from 36.41% in Q3 FY2025. The Core Data Center Business Unit nearly doubled its contribution to 27.79% from 16.45%, reflecting surging AI server memory demand. The Mobile & Client Business Unit contributed 27.79%, marginally lower than 35.00% a year earlier, while the Automotive & Embedded Business Unit increased its revenue mix to 11.18% from 12.12%, supported by continued growth in automotive and industrial memory demand. The shift toward Cloud and Data Center businesses underscores Micron's increasing exposure to the higher-growth AI infrastructure market.

Financial Summary

Million USD	Q3 2025	Q3 2026	YOY
Revenue	9,301	41,456	345.72%
Gross profit	3,508	35,056	899.32%
Operating income	2,169	33,318	1436.10%
Pre-tax Income (loss)	2,113	33,212	1471.79%
Net income	1,885	28,243	1398.30%
Earnings per share	1.68	24.67	1368.45%
Net cash from operations	11,795	45,702	287.47%
Net cash from investing	(8,889)	(19,688)	-121.49%
Net cash from financing	214	(10,646)	-5074.77%
Net change in cash	3,117	15,376	393.29%
Closing cash balance	10,169	25,022	146.06%

Source: Company's Financial Statement

Performance Highlights

- Revenue reached a record \$41.46 billion, up 345.72% YoY, driven primarily by unprecedented AI-driven demand for HBM, DRAM and NAND products, higher memory pricing, stronger data center deployments, and expanding Strategic Customer Agreements. Growth was broad-based across all business units, with Cloud Memory and Core Data Center emerging as the principal growth engines.
- Cost discipline remained strong despite record investment levels. Cost of goods sold increased only 10.47% YoY, significantly below revenue growth, while operating expenses rose 29.80% as Micron accelerated investments in technology development, manufacturing capacity and next-generation AI memory products. The widening spread between revenue and costs reflects substantial operating leverage created by stronger pricing and improved manufacturing efficiency.
- Profitability strengthened materially across every margin metric. Gross margin expanded to 84.60% from 37.70%, operating margin improved to 80.40% from 23.30%, while net profit margin rose to 68.12% from 20.27%. The sharp margin expansion demonstrates exceptional pricing power, manufacturing efficiency and the Company's ability to convert AI-driven revenue growth into record earnings.
- Cash generation remained exceptionally strong. Operating cash flow increased 450.83% YoY to \$25.39 billion, while adjusted free cash flow surged 838.89% to \$18.30 billion, despite record capital expenditures of \$7.08 billion to support AI-related capacity expansion. The strong cash conversion provides ample funding for future technology investments and shareholder returns.
- Micron's balance sheet strengthened considerably during the quarter. Total assets increased 61.97% YoY to \$134.11 billion, cash and equivalents rose 159.03% to \$25.00 billion, shareholders' equity expanded 85.96% to \$100.72 billion, while long-term debt declined 63.33% to \$5.14 billion. The combination of rising liquidity, stronger equity and lower leverage significantly enhances financial flexibility as the Company enters the next phase of AI-driven growth.
- Major developments during the quarter further strengthened Micron's long-term growth outlook. The Company executed multi-year Strategic Customer Agreements to enhance revenue visibility and demand predictability, commenced high-volume shipments of HBM4 for AI platforms, advanced development of HBM4E for 2027 production, and expanded production of next-generation G9 NAND SSDs, LPDDR5X, and DDR5 memory solutions. These milestones reinforce Micron's technology leadership, deepen its exposure to the rapidly growing AI infrastructure market, and support management's stronger Q4 guidance of approximately \$50.0 billion in revenue with an expected 86.00% gross margin.

Concerns Raised

Although AI demand remains exceptionally strong, Micron's current profitability is increasingly dependent on sustained HBM and data center memory demand. Any moderation in hyperscaler AI spending or delays in customer deployments could significantly affect pricing and revenue momentum.

The Company is investing at record levels in manufacturing capacity and technology. While these investments position Micron for long-term growth, they also raise execution risk should memory demand normalize faster than anticipated or supply outpace market demand.

Micron's record margins reflect an exceptionally favorable point in the memory cycle. Investors should closely monitor pricing trends, industry supply additions, customer inventory levels, and the sustainability of gross margins as competitors increase capacity and the memory market gradually normalizes.

OUR INSIGHT

“ Micron's Q3 FY2026 results reinforce its position as a leading beneficiary of the AI infrastructure cycle. Record revenue, exceptional margin expansion, robust free cash flow, and a significantly stronger balance sheet reflect sustained demand for HBM, DRAM, and NAND solutions, while the increasing contribution from Cloud and Data Center businesses enhances earnings quality.

The long-term investment case remains compelling, supported by technology leadership, expanding AI-related customer agreements, strong cash generation, and continued investment in next-generation memory technologies. These position the Company to capitalize on the structural growth in AI computing and data center infrastructure.

Key watchpoints include the sustainability of AI-driven memory demand, potential margin normalization as industry capacity expands, execution of capacity investments, and customer concentration among hyperscalers. The ability to sustain pricing power while maintaining capital discipline will be critical to preserving Micron's current earnings momentum.

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